

financial institutions to register with the Department of the Treasury and to comply with other recordkeeping and compliance laws.

A licensee under Article 4 is by definition an MSB under federal law and shall comply with the federal registration requirements for such businesses and shall provide the Department with evidence of such registration.

The Bank Secrecy Act (BSA) requires certain MSBs to register with the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of the Treasury. A person that is an MSB solely because that person serves as an agent of another MSB is not required to register. Registration of an MSB is the responsibility of the owner or controlling person of the MSB. Registration with FinCEN must be renewed every two years. Civil and criminal penalties may be imposed for willful violation of the registration requirement. For further information, please visit the FinCEN website or call 1-800-800-2877.

Georgia requires that all licensees under Article 4 comply with the recordkeeping requirements, the maintenance of a compliance program, currency transaction reporting, and suspicious activity reporting of the Bank Secrecy Act and its regulations, including those at 31 CFR Part 103. Licensees may consult www.fincen.gov for questions about the federal requirements.

Reporting requirements to this Department contained in Article 11 of Title 7, O.C.G.A., shall be met by filing with the appropriate federal agency a copy of the form(s) filed in compliance with the Federal Bank Secrecy Act within the time limits set forth in that Act.

Informational Resources

To **download an application** or learn more about the Georgia laws, regulations and policies governing money transmission, go to:

dbf.georgia.gov/msbforms

To report **unlicensed companies** to the Department:

Contact the Corporate Division by mail at the address shown on the cover of this brochure or:

Phone: (770) 986-1656

Fax: (770) 986-1655

E-mail: MSB@dbf.state.ga.us

BSA Forms

To Download Forms:

Go to: www.fincen.gov

To Order Forms:

IRS Forms Distribution Center at:

1-800-829-3676

IRS-Detroit Computing Center Hotline

1-800-800-2877

Interpretation of BSA Regulations

Financial Crimes Enforcement Network

Regulatory Helpline

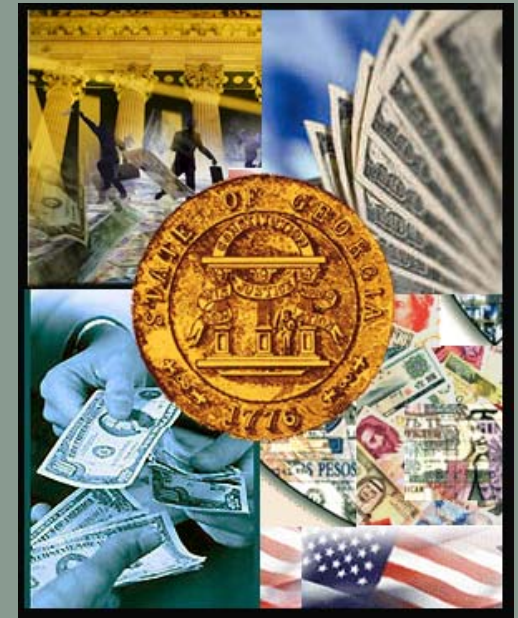
1-800-949-2732

Report Terrorist Related Financial Activity

Financial Institutions Hotline

1-866-556-3974

Requirements for Operating a Money Transfer Business in Georgia



Georgia Department of Banking & Finance

2990 Brandywine Road, Suite 200

Atlanta, Georgia 30341-5565

Phone: (770) 986-1633

Fax: (770) 986-1654 or 1655

Website: <http://www.gadbf.org>

Toll Free Consumer Hotline: (888) 986-1633



REQUIREMENTS FOR OPERATING A MONEY TRANSFER BUSINESS IN GEORGIA

Since September 11th, federal law enforcement agencies have urged states to license and keep a record of persons transmitting money or monetary value. During the 2003 legislative session, the Georgia legislature passed Senate Bill 78 that, among other things, implemented licensing requirements for money transmitters (Sections 7-1-680 through 7-1-689.1 of the Official Code of Georgia). The bill became effective on 7/1/2003. The bill establishes a requirement for licensing, background checks and a bond for money transmitters.

Definitions

"Money transmission." Money transmission means engaging in the business of receiving money for transmission or transmitting money within the United States or to locations abroad by any and all means including, but not limited to, an order, wire, facsimile, or electronic transfer.

"Monetary value." The definition of "money" has been expanded to reflect the fact that certain payment service providers employ a form of value that is not directly redeemable in money, but nevertheless (1) serves as a medium of exchange and (2) places the customer at risk of the provider's insolvency while the medium is outstanding.

Licensing Requirement

The implementation of licensing requirements for money transmitters gives the Department of Banking & Finance (Department) the authority to regulate companies that are receiving money for transmission, particularly transmission abroad, and to establish a minimum level of financial responsibility for all entities engaging in the business of receiving money for transmission, without regard to the method of transmission.

In order to engage in money transmission in Georgia, the law requires that a person must first obtain a license from the Department, pursuant to O.C.G.A. Title 7, Article 4 (Sale of Checks or Money Orders Act). No person convicted of a felony may be issued a license. For further details, see O.C.G.A. 7-1-682.

No person or corporation, other than a bank or trust company, a credit union, a savings and loan association, or a savings bank, whether state or federally chartered, the authorized agent of a licensee, or the United States Postal Service shall engage in the business of money transmission without having first obtained a license under the Act.

Bond Requirement

The Act gives the Department discretion to require a bond for money transmitters. The bond requirement is a safety and soundness measure designed to protect the public, but also to deter companies that have questionable solvency or business practices from entering the market.

A corporate surety bond issued by a bonding company or insurance company authorized to do business in this state and approved by the Department must accompany an application for a money transmitter license. The bond for money transmitters shall be in the principal sum of \$50,000.00, and in an additional principal sum of \$5,000.00 for each location, in excess of one, up to a maximum aggregate of \$250,000.00.

The Department may require additional coverage for the adequate protection of customers if the outstanding orders to transmit not yet paid for by the licensee at any one time exceed \$250,000.00. If required by the Department, the additional coverage shall be limited to \$1,250,000.00 or orders outstanding in the State of Georgia for the preceding year, whichever is less.

Semi-annual reports of outstandings will be required to ensure that surety bond coverage is adequate.

Other Requirements

License Verification/Signage: Every licensee or agent or other representative of a licensee under the Act shall display their license (or a copy thereof) prominently in the premises where transmission of money occurs. In lieu of the foregoing, window decals and other advertising material relative to money transmission shall bear the legend "LICENSED BY THE GEORGIA DEPARTMENT OF BANKING AND FINANCE" in letters at least one-quarter inch high.

Customer Receipt: Each customer placing a money transfer order shall be provided with a written receipt or other evidence of acceptance of the order showing the name of the licensee (or trade name of the licensee as registered with the department), agent identifier information, the date the order was placed, the dollar amount of the transmission order, and the fee charged.

License Renewal and Supervision Fees

The annual license fee and initial application fee for money transmitters is \$2,000. The annual renewal license fee is \$1,000 for money transmitters and is due on the first day of November of each year. An annual license renewal fee not received prior to December 1 will be penalized a late fee of \$300 and cannot be assured of issuance or renewal prior to January 1.

Money Service Businesses: Compliance with Federal Requirements

Money Service Businesses (MSBs) refer to a class of non-bank financial institutions defined in the federal Bank Secrecy Act, which Act requires such non-bank